

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1019
ANSWERED ON:24.11.2000
ANOMALIES IN DUTY EXEMPTION PASS BOOK SCHEME
SUBODH MOHITE

Will the Minister of FINANCE be pleased to state:

- (a) whether any anomalies have been detected in Duty Exemption Pass Book Scheme;
- (b) if so, the details thereof;
- (c) whether the Government propose to allow purchase of inputs from Export Oriented Units and Export Promotion Zones in the country; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) & (b): The objective of the DEPB Scheme is to neutralise the incidence of customs duty on the import content of the export product. Certain instances have come to notice where some exporters have tried to over invoice the export product or utilise excess CIF value of imports than FOB. To take care of these instances, value caps have been imposed on certain products. Restriction has also been imposed that CIF value shall not exceed FOB value.

(c) & (d): No Sir, the DEPB entitlement is to be used for payment of Customs duty on imports and therefore the same cannot be used for offsetting the excise duty on purchase of inputs from Export Oriented Units and Export Processing Zone.